

Cabinet

14 September 2015

Present: N Redfearn (Elected Mayor) (in the Chair)
Councillors EN Darke, R Glindon, IR Grayson, JLL Harrison,
CB Pickard, L Spillard and JJ Stirling.

In Attendance: M Almond (Voluntary and Community Sector)
A Armstrong (Young Mayor)
A Caldwell (Age UK North Tyneside)
M Cushlow (North Tyneside Clinical Commissioning Group)
K Goldfinch (Business Sector)
R Layton (North Tyneside JTUC)

CAB38/09/15 Apologies

Apologies were received from Councillors CA Burdis and A Waggott-Fairley.

CAB39/09/15 Declarations of Interest and Dispensations

Councillor R Glindon declared a registerable personal interest in the item on Delivering Affordable Homes – Update (Minute CAB50/09/15) as he was a Director of North Tyneside Trading Company.

Councillor CB Pickard declared a registerable personal interest in the item on Delivering Affordable Homes – Update (Minute CAB50/09/15) as he was a Director of North Tyneside Trading Company.

CAB40/09/15 Minutes

Resolved that the Minutes of the meeting held on 10 August 2015 be confirmed and signed by the Chair.

CAB41/09/15 Report of the Young Mayor

The Young Mayor reported on the following activities in which she and/or Young Cabinet Members had been involved:

- Opening of the Street Jam organised by Phoenix Detached Youth Project.
- The Young Cabinet Member for Ready for School had met with Council Officers to discuss how youth councillors could contribute to the Authority's plans for equipping young people with necessary life skills.
- Supporting North Tyneside Disability Forum in launching their information booklet at their Annual General Meeting.
- The Youth Councillors and Children in Care Council had been involved in the feedback for the Authority's Statutory Notices project.
- 'Golden Ticket' Land Train journey along Whitley Bay Sea front.
- The Young Cabinet Member for Ready for Work and Life had taken part in a Youth Action Worx Project in partnership with The Base. The overall aim of the project was to increase the employability of young people who have just left the care system.

The Member of Youth Parliament was being supported in promoting young people's involvement in Make Your Mark ballots. It was hoped that as many young people as possible would be involved in having a say on the issues that were most important to them.

The Young Mayor was thanked for her report. The Young Mayor and Youth Councillors were commended for the work they were doing and their involvement in various initiatives.

The Elected Mayor looked forward to meeting with the Young Mayor and Cabinet to discuss the Authority's 'Creating a Brighter Future' Programme.

CAB42/09/15 2015/16 Financial Management Report to 31 July 2015 (All Wards)

Cabinet considered a report detailing the budget monitoring position as at 31 July 2015, including forecast outturn positions for 2015/16 for the General Fund, the Housing Revenue Account (HRA), school finances and the Investment Plan, including a summary of projects to be delivered in 2015/16. The report also provided an update on the Authority's 'Creating A Brighter Future' Programme, and sought approval to the allocation of the Local Infrastructure Projects budget.

As at 31 July 2015, the forecast year-end position for the General Fund Revenue Account was a pressure of £2.001m.

The HRA was forecast to have year-end balances at 31 March 2016 of £3.208m, which was £0.538m higher than budget. The higher than forecast balances were mainly as a result of higher opening balances due to the impact of previous years' financial performance (£0.422m). The forecast in-year surplus was an estimated £0.116m.

The report included an update in respect of work in progress with regard to 2015/16 school funding.

The Investment Plan for 2015-19, adjusted for reprogramming and variations approved by Cabinet was £247.895m. Variations of £1.088m for 2015/16 were proposed in the report. The report also set out planned delivery for 2015/16.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals.

Resolved that (1) the budget monitoring position, as at 31 July 2015, be noted; (2) the receipt of new revenue grants, set out in the report, be approved; (3) the level of spend on the Investment Plan as at 31 July 2015 be noted; (4) the Local Infrastructure projects to be delivered during 2015-16, as set out in the report, be approved; and (5) the variations of £1.088m within the 2015/16 Investment Plan, as detailed in the report, be approved.

(Reason for Decision – It is important that Cabinet continues to monitor performance against the budget, especially given the current level of financial pressures faced by the public sector.)

CAB43/09/15 2016-19 Financial Planning and Budget Process Incorporating the Council Plan and Associated Engagement Strategy (All Wards)

Cabinet considered a report which sought approval to the proposed 2016-2019 Financial Planning and Budget process, and as part of the process, the 2016/17 Budget

Engagement Strategy. The report also detailed the process for refreshing the Our North Tyneside Plan (The Council Plan).

Since the Coalition Government's four year Spending Review of 2010, and as a result of the one year Spending Review for 2015/16, North Tyneside Council had made a significant level of efficiency savings each financial year. The savings that had been required over this period were a combination of Government funding reductions, an increase in demand for services and unavoidable spending pressures. Since the financial year 2013/14, efficiency savings of approximately £43 million had been made.

This financial climate continued into the current planning process for 2016-2019 with the continuing need for improved services to be delivered within a more challenging environment of reduced funding and the consequent requirement for further efficiency savings.

For the 2016/17 Financial Planning and Budget process a three-year financial planning process covering the years 2016-2019 was proposed. The Final Local Government Finance Settlement for 2015/16 had been issued on 4 February 2015. On 8 July 2015, the Government had issued a Summer Budget. Information in relation to this and the impact on the Authority had been considered in a report to Cabinet titled "Medium Term Financial Plan Update - following Summer Budget 2015 (Minute CAB29/08/15 refers).

On 21 July 2015, the Government had announced that the Spending Review would take place on 25 November 2015. At the same time, it was also announced that the Chief Secretary to the Treasury would write to Government departments asking them to model two scenarios of 25% and 40% of savings within their resource budgets by 2019/20 in real terms. These were the same reductions requested ahead of the Spending Review of 2010.

The Summer Budget set out £17 billion of savings to be achieved nationally over the next 4 years, with £12 billion savings from welfare and £5 billion from addressing avoidance, evasion and imbalances in the tax system. Total savings required over the period of this Parliament were currently expected to be £37 billion.

Therefore, the reductions still to be met by Government Departments were £20 billion for the next four financial years from 2016/17 to 2019/20. In making these savings, the Government outlined that the Spending Review would reaffirm their commitment to "invest in the NHS and national security, while protecting spending on schools and honouring their commitment to the poorest people in the world".

This announcement of Departmental Spending Reductions did not as yet provide detailed information on the potential financial impact for Local Government over the medium term. At this stage, therefore, it was assumed that the Authority's current financial planning assumptions around the savings required for the next 3 years as a result of Government funding reductions was unchanged. This position would be kept under constant review as more information became available.

In order to continue to build on the achievements of the existing Our North Tyneside Plan, reflect the context within which the authority was operating and align with the Creating a Brighter Future programme, it felt timely to refresh the Our North Tyneside Plan. The refreshed Plan would provide the policy direction for the Authority's Financial Planning and Budget process for 2016/17 and the following two years.

A Financial Strategy was critical in order to ensure that the Authority made decisions by focussing on strategic priorities and had a clear financial vision and direction for the medium term.

The Strategy needed to link to the Our North Tyneside Plan which ultimately drove resources. The Budget Setting process helped the Authority respond appropriately to responsibilities and duties placed upon Local Government through legislative requirements and the Government's drive for a deliverable programme of efficiency savings.

Financial planning was of critical importance during the period of the Government's own Spending Review and beyond, given the potential scale of future challenges. This planning was supported by the continuing need to integrate revenue, capital, asset and treasury planning, driven further by the Prudential Code requirements in relation to longer-term capital investment. In formulating the financial plan, the impact of priorities, objectives and preferred options needed to be fully evaluated.

Whilst decisions around budget-setting were approved on an annual basis, the Authority had to demonstrate medium-term financial and resource planning. Annual budget decisions should be taken in the context of the overall financial plan that looked at all Authority services and took into account the Government's Local Government Finance agenda.

An important element of the overall Financial Strategy was the Authority's approach to changes needed to achieve savings. During 2014/15 the Council had developed a new change programme "Creating a Brighter Future" which looked to redefine, reshape and redesign what the Authority delivered now and would deliver going forward. Details of the programme were set out in the report.

The focus of the programme continued to drive the principle that the Authority helped people to help themselves, thereby managing demand for Authority services, managing costs, working better with partners and designing services to deliver customer priorities. The programme had four key service themes, details of which were given in the report:

- Ready for School
- Ready for Work
- Great Place to Live, Work and Visit
- Cared For, Safeguarded and Healthy

These four themes were supported by a range of infrastructure projects and a number of cross cutting / enabling projects, details of which were given in the report.

Best practice highlighted the need for medium-term planning horizons. The Authority's three-year planning timeframe would assist in ensuring there was a clear demonstration of sustainability in its plans for the future. The key drivers for change and the improvement focus in resource planning were detailed in the report.

The approach to resource planning for 2016-2019 would continue to concentrate on ensuring that all drivers were embedded into the decision-making process for the allocation and re-direction of the Authority's finite resources, financial and otherwise. In addition, there would be the annual detailed review of the current financial plan forecasts and commitments for revenue, capital investment and housing finance. The Financial Strategy would be subject to its usual annual review.

The key components and principles adopted for the 2016-2019 Financial Strategy had been fully reviewed as part of the current year's process and were summarised in the report.

The Authority had specific responsibilities under the Equality Act 2010 and public sector equality duty. Part of this was to ensure that the potential effects of decisions on people with protected characteristics were considered prior to any decision being made. Previous judicial reviews involving other local authorities had highlighted the importance of ensuring that these responsibilities were met.

The budget setting process would be continually monitored using impact assessments. Full impact assessments would be included in all proposals going forward for inclusion with the initial Budget proposals in November 2015, in order to be available to Cabinet when it further considered the Financial Plan and Budget proposals on 23 November 2015.

The report also provided information in relation to the key decision milestones of the Financial Planning and Budget Process timetable.

The Elected Mayor and Cabinet were responsible for formulating the Authority's Budget. The Cabinet Member for Finance and Resources, in close consultation with the Elected Mayor, had been nominated as the lead Cabinet Member for the overarching 2016-2019 Financial Planning and Budget Process. The Section 151 Officer would be the project sponsor.

The Authority was committed to being a resident-focused and listening Authority and encouraged residents and other stakeholders to help to shape its decision-making. Engagement with residents took place throughout the year and information gathered would be used to inform the 2016/17 budget proposals that aimed to support the delivering of the Council Plan, through the Creating a Brighter Future Programme.

The Engagement Strategy for the budget setting process identified the key actions that would be carried out to enable residents and other key stakeholders to be involved in commenting on budget proposals. The programme of the engagement activity would ensure that all stakeholders were informed about the budget proposals, given an opportunity to be listened to and comment on the specific proposals, and receive feedback on how public comments had shaped decisions. The feedback from the engagement activities would form part of reports to Cabinet and Council to support decision-making. Details of the Budget Engagement Strategy for 2016/17 were given in the report.

Cabinet considered the following decision option: to agree the recommendations as set out in section 1.2 of the report.

Resolved that (1) the proposed outline 2016-2019 Financial Planning and Budget Process, incorporating the key decision milestones and dates as set out at Appendix A to the report, be approved;
(2) the work to be undertaken to refresh the Our North Tyneside Council Plan, in accordance with Appendix B to the report, be approved; and
(3) the Budget Engagement Strategy as part of the 2016-2019 Financial Planning and Budget Process, as set out in Appendix C to the report, be approved.

(Reasons for decision – Decisions on the budget in relation to the General Fund, Housing Revenue Account, schools' funding and the Investment Plan need to be made within the overall context of the resources available to the Authority and within the legal framework for setting budgets.

The Authority will need to examine closely the links with key funding partners and their proposed financial plans, including an assessment of the impact of any grant fall-out over the proposed three-year resource planning period.

Cabinet and Council need to have due regard to the Chief Finance Officer's advice in relation to the levels of reserves and balances proposed as part of the three-year financial plan for 2016-2019 in accordance with the Authority's Reserves and Balances Policy.

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The Budget Engagement Strategy for 2016/17 will in part help to inform decisions about what will be included in the three-year Financial Plan for 2016-2019. Decisions on the budget for general fund, capital plan, housing revenue account and schools' funding will need to be made within the overall context of the resources available to the Authority and within the legal framework for setting budgets.

The Local Government Finance Act 1992 requires the Authority to set a balanced budget in the context of the resources available, including central government grants, business rates and council tax income.

The Local Government Act 2003 imposes duties on local authorities in relation to budget setting. The Act requires that, when an authority is deciding its annual budget and council tax level, members and officers must take into account a report from the Chief Finance Officer on the robustness of the budget and the adequacy of the authority's financial reserves. The Government has a back-up power to impose a minimum level of reserves on an authority that it considers to be making inadequate provisions.)

The 2016-2019 Financial Planning and Budget process has been prepared to comply with the time-scales required within the Budget and Policy Framework Procedure Rules contained in the Authority's Constitution. Decision making in relation to the Housing Revenue Account is the responsibility of the Cabinet, in accordance with section 9D of the Local Government Act 2000 (as amended).)

CAB44/09/15 North Tyneside Surface Water and Drainage Partnership – Quarterly Update (All Wards)

Cabinet considered a report which gave an update on progress of the North Tyneside Surface Water and Drainage Partnership.

At its meeting on 15 July 2015 the Partnership had:

- received an update on the proposals made through the Killingworth and Longbenton Sustainable Surface Water Management Project, a partnership project between North Tyneside Council, Northumbrian Water and The Environment Agency;
- noted the progress of the Flood Risk Implementation Plan which provided spend profile information on the Flood Alleviation Scheme design and installation from 2013/14 through to 2017/18;
- received an update on the work being carried out around community preparedness and resilience, including the latest 'Flood Ready Flood Safe' feature from the Our North Tyneside residents magazine; and
- received an update on the revised planning guidance and technical standards for Sustainable Urban Drainage Systems (SuDS) and the North East Combined Authority (NECA) SuDS Regional Working Group.

A copy of the draft minutes from the meeting of the Partnership was attached at Appendix 1 to the report.

Cabinet considered the following decision option: to receive the report and note the progress made.

Resolved that the North Tyneside Surface Water and Drainage Partnership Quarterly Update be noted.

(Reason for decision – It will enable the work of the Partnership to progress.)

CAB45/09/15 Engagement Strategy (All Wards)

Cabinet considered a report which, following a review of engagement activity across the Authority, set out a proposed new corporate Engagement Strategy to enable residents and service users to be better informed and engaged in the Authority's decision-making.

North Tyneside Council was a high performing authority that had a commitment to continue to be a 'listening' Council that delivered for its residents and communities by involving them in decision-making. Resident views and priorities shaped the Council Plan as the strategic framework which set the direction of the Authority and its services.

At present, the Authority, in common with all local authorities, had to change to respond to increasingly challenging financial challenges and in doing so it recognised the importance of continued effective engagement with residents to ensure that policy direction and strategic decisions were in line with their priorities.

Currently, there were a number of strategies across various Authority services which set out how residents and service users would be involved in decision making. As part of the Authority's Creating a Brighter Future Programme, from April 2015 the teams involved in engagement had been brought together into Corporate Strategy. This had provided an opportunity to review how the Authority engaged with its residents and to identify where improvements could be made.

The proposed new Corporate Engagement Strategy (set out at appendix 1 of the report) sought to address the key outcomes of the review by providing a single corporate framework, setting out how the Authority would engage across all of its services to improve overall engagement outcomes and to provide a more co-ordinated and consistent approach that was more easily understood by residents and service users. It also sought to ensure that the essential role of Elected Members in the engagement process was clearly recognised.

The proposed Strategy also sought to ensure that engagement supported and enabled the delivery of the Authority's Creating a Brighter Future programme.

The Strategy established a wide two-way communications approach, between the Authority, its residents and other stakeholders, and would be delivered through a range of easily accessible opportunities to ensure that everyone would have a choice in deciding whether, and if so how, they could be more involved. This spanned from a customer service approach, and the increased use of digital communications and social media, through to intensive collaboration with customers and service users.

The internal review of all engagement activity across the Authority had identified a number of key strengths and also areas for improvement, which were detailed in the report. The report also provided details of the overall aims of the proposed Strategy, and how performance would be assessed.

The Strategy would adhere to a number of core principles to ensure that all engagement activities were inclusive, clear, integrated, tailored, provided feedback and timely.

A quarterly Engagement Board would bring together representatives of the Authority and its partners to monitor how it was delivering on its core principles and to forward plan future activities.

People would be helped to understand when it was not possible to involve people at all stages in decision-making. This was likely to be in relation to emergency situations, legislative occurrences and operational decisions.

The Strategy would enable the delivery of a wide range of activities and opportunities that would enable people and organisations to easily access information about the Authority and its services and would enable people to be involved in informing decision making or to shape services.

At each level of engagement it would be explained what people could expect from being involved.

The different opportunities to access information and get involved were brought together under four themes within the Strategy which were Inform, Consult, Involve and Collaborate, further details of which were set out in the report.

Cabinet considered the following decision options: to approve the recommendations as detailed in paragraph 1.2 of the report, or alternatively, not approve them.

Resolved that (1) the Corporate Engagement Strategy, as set out in Appendix 1 to the report, be approved;
(2) the Head of Corporate Strategy be authorised to undertake external consultation, as detailed in the report, on the proposed Engagement Strategy; and
(3) the Head of Corporate Strategy, in consultation with the Cabinet Member for Community Engagement, be authorised to finalise the wording of the Engagement Strategy following the external consultation

(Reason for decision - It will provide a framework for the future engagement offer by North Tyneside Council and will provide greater clarity for the public about the different ways that they can be informed and involved in the Authority's decision-making, and what they can expect from the different approaches.)

CAB46/09/15 Response to Kier North Tyneside Joint Venture – Report of the Overview, Scrutiny and Policy Development Committee (Previous Minute CAB17/07/15) (All Wards)

Cabinet considered a report which set out suggested responses to the recommendations of the Overview, Scrutiny and Policy Development Committee on its Review of Kier North Tyneside.

In 2014, the Cabinet Member for Housing and Transport had attended an Overview, Scrutiny and Policy Development Committee meeting and delivered a presentation on his portfolio responsibility. He had asked if the Committee would consider carrying out studies into the future of the Kier North Tyneside Joint Venture (JVCo) Partnership

At its meeting in July 2014, the Overview, Scrutiny and Policy Development Committee had agreed as part of its work programme to carry out a study into the Performance Priorities for the second half of the JVCo Partnership.

The Kier North Tyneside Sub-Group had first met in February 2015 with the objective to provide an evidenced opinion on areas related to business planning improvement and performance priorities. As part of the review the Sub-Group had received information from all interested parties. The Cabinet Member for Housing and Transport and Kier Management had been invited to attend meetings to enable the Sub-Group to obtain their views and aspirations for the Partnership.

The Sub-Group had also decided that the most appropriate method to receive the views from other interested parties was to hold a tenants focus group and receive views through electronic surveys from Council Staff, Kier Staff, Schools, Council Members and the Business Forum. All responses and views had then been collated to establish key themes and priorities for future consideration.

The Sub-Group had also received extensive background information in relation to performance and business plans through the life cycle of the Joint Venture Partnership.

The proposed responses to the ten recommendations of the Overview, Scrutiny and Policy Development Committee were detailed in Appendix A of the report.

Cabinet considered the following decision options; either to agree the proposed responses, agree some of the responses or reject all of the responses and other options/additional activity be explored if required.

Resolved that the responses to the recommendations of the Overview, Scrutiny and Policy Development Committee in relation to the review of Kier North Tyneside, as detailed in Appendix A to the report, be approved.

(Reason for decision – the delivery of the recommendations will help the Joint Venture Partnership to improve and develop whilst supporting the future priorities for the Authority.)

CAB47/09/15 Affordable Rent Policy (All Wards)

Cabinet considered a report which requested approval to adopt an Affordable Rent Policy to allow the Authority access to Housing Community Agency (HCA) Grant opportunities for Blandford Road, North Shields and future new build affordable homes. Approval of the policy would also enable the Authority to consider setting affordable rents where this was considered appropriate in the future and where HCA approval had been obtained.

In October 2013, Cabinet had agreed an ambitious target to increase the pace and scale of the affordable homes delivery programme within North Tyneside, facilitating the development of 3,000 new affordable homes from 2014-2024 (Minute CAB110/10/13 refers).

An Affordable Rent Policy would enable the Authority to secure allocation of £0.720m of HCA grant funding derived from the development undertaken by Galliford Try, which had built 32 affordable homes at Blandford Road, North Shields, in accordance with the Cabinet decision on 7 April 2014 (Minute CAB227/04/14 refers). Once the development had been completed and the homes ready to be transferred to the Authority, it would be necessary for the Authority to enter into an agreement with the HCA to protect their grant conditions. This would set the rent at an affordable level and control disposal of the homes.

The Authority would also be able to explore the possibility of securing grant funding from the HCA via their Affordable Homes Programme 2015-18. The level of this grant funding varied depending on the cost of the development and other assumptions in the financial model. Grant rates were approximately £20,000 per property for general needs housing and an additional £3,000 to £5,000 for specialist housing.

The Coalition Government's Affordable Homes Programme, launched in February 2011 had introduced the Affordable Rent Product as the primary type of rent charged for new-build affordable homes. It also gave housing providers the flexibility to convert a proportion of their existing stock to affordable rent when re-letting void properties.

The Affordable Rent Product differed from what the Authority currently set as its rent per property, normally referred to as a "social rent". When Rent restructuring was introduced for Local Authorities the intention was that local authority social rents would gradually be increased to "target" rents set based on a national formula that took account of both property values and local earnings. As the Authority had one of the lowest levels of rent at the start of rent restructuring and there had been limits set on both the average and individual rent increases each year, North Tyneside rents were for the most part currently

below target level. The HCA's definition of affordable rents was that rent should be set at up to 80% of the gross market rents on the open market or the average private rent level in the area and be reflective of property size.

A condition of adopting an Affordable Rent Policy was that the Authority must ring-fence the additional rent collected (the difference of rent between the social rent level and affordable rent level) and reinvest this amount in the delivery of further affordable homes.

In setting the level of affordable rent the HCA allowed some flexibility to enable consideration to be taken of local circumstances; levels of Local Housing Allowance (LHA); broad rental market area in which the property is located; and wider impacts of welfare reform.

The proposed Affordable Rent Policy ensured that the Authority's affordable rent level was no higher than LHA to ensure that rent remained affordable to those tenants in receipt of benefits. Those tenants with larger families could still be impacted by the proposed changes to benefit caps.

Cabinet considered the following decision options: to approve the recommendations as detailed in paragraph 1.2 of the report, or alternatively, not approve them.

Resolved that (1) the Affordable Rent Policy, as set out in Appendix 1 to the report, be approved; and
(2) the Head of Environment, Housing and Leisure, in consultation with the Cabinet Member for Housing and Transport, the Cabinet Member for Finance and Resources and Head of Finance, be authorised to make any decisions on the selection of property appropriate for affordable rent and this delegation be included in the Officer Delegation Scheme.

(Reason for decision - It will support progress on delivering the Elected Mayor and Cabinet's commitment to deliver more quality affordable homes at a reduced capital cost to the Authority.

It will allow the Authority to secure £0.720m grant for the purchase of 32 dwellings at Blandford Road. The Authority will receive £0.648m with a 10% administration fee being retained by Galliford Try subject to the Authority obtaining a signed delivery agreement with the HCA.

It will allow the Authority to consider future bids to the HCA's Affordable Homes Programme.

It will also enable the Authority to consider charging an affordable rent on new homes built with HCA grant and, where it is deemed appropriate, within current housing stock where HCA approval is also obtained.)

CAB48/09/15 Council Tax Support Scheme 2016/17 (All Wards)

Cabinet considered a report which requested consideration of what changes, if any, it wished to propose to the Authority's Council Tax Support (CTS) Scheme for 2016/17, so that a consultation exercise could be undertaken on any proposed changes, before it was presented to Council for approval. Outcomes of the consultation would be brought back to Cabinet later in the year for a decision on which CTS scheme Cabinet would propose to full Council. The final decision on the 2016/17 CTS scheme would be made by Council on 21 January 2016 and it would be implemented in April 2016.

The current Council Tax Support Scheme (CTS) was means tested support which to promote simplicity generally followed the Housing Benefit rules around entitlement. It

allowed a maximum amount of Council Tax Support of 93% of the claimants Council Tax liability for working age claimants. Pensionable age claimants received support based on 100% of their Council Tax liability, as prescribed under national rules.

If changes were proposed consultation would be necessary and this would take place in line with the outlined requirement within the Local Government Finance Act 1992 (as amended) and would include precepting authorities and such other persons that were considered likely to have an interest in the operation of the scheme.

As at the 30 June 2015 there were 21,082 claimants receiving CTS, split between pensioner claims 9,828 (47%) and working age claims 11,254 (53%). The caseload continued to reduce, as seen since the scheme was introduced in 2013/14, as more people moved into employment or claimants' incomes increased and they no longer qualified for support.

Due to the reduction in the number of claimants the forecast scheme cost for 2015/16 was currently around £15.2m. A reduction in cost of the scheme against forecast had also occurred in 2013-14 and 2014-15.

The majority of CTS claimants lived in a Band A property, and the maximum support available was 93% of Council Tax liability which was £17.73 for a couple or £13.30 for a single person. This left £1.33 to pay each week for a couple or £1.00 to pay each week for a single person.

If further reductions in support were passed on to claimants it would mean for each 1% of Council Tax that was not eligible for support the claimant would pay an additional 19p per week for a couple or 14p per week for single person.

Based on the current working age caseload and spend, for every 1% not provided in support it would reduce the cost of the scheme by just under £85,000 annually, although this would still need to be collected. Appendix 1 to the report provided a table of entitlement and savings. This gave an indication of the increase in liability for a CTS claimant dependant on a % of reduction in support applied. It also provided an estimate of the additional income this would generate, although it did not take into consideration any provisional protection.

There had been minimal reaction to the scheme since its introduction in April 2013, with no appeals being made to the Valuation Tribunal.

In-year collection of Council Tax for year 1 of the scheme (2013/2014) had fallen by 0.4% from 96.9% to 96.5% and in 2014/15 the collection rate again had fallen slightly to 96.4%. Both these years also included collection of additional debit for empty property discount changes. General effects of a difficult economic climate and impacts of welfare reform, which many on CTS had been impacted by, were likely to have contributed to the reduction in collection.

On the 8 July 2015, the Government had announced a number of changes to welfare benefits aimed at reducing the cost of the welfare bill, including changes to Housing Benefit (HB). The changes such as the change to the Working Tax Credits threshold would in many cases reduce a claimant's current income. Other changes however would only impact on a claimant's entitlement if they had certain changes in the future, for example, if a child was born into the household. As the CTS scheme was a means tested support, for those claiming CTS any reduction in income would generally mean an increase in CTS entitlement and any additional costs associated with these changes would need to be factored into estimated costs for the following year's scheme.

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As the current CTS scheme generally followed the same rules as Housing Benefit in calculating entitlement for CTS, there was a need to consider whether some of the Housing Benefit changes should be replicated in the CTS Scheme where appropriate. Doing so would ensure that the scheme continued to be aligned with Housing Benefit rules, which was clearer for claimants to understand and operationally more effective.

Additionally by adopting some of the Housing Benefit changes into the CTS scheme these would offset some of the increased costs due to the Tax Credit changes.

The report set out the following Housing Benefit changes that Cabinet may want to replicate in the CTS scheme:

- a) Annual up-rating of personal allowances frozen for 4 years from April 2016.
- b) Backdated support reduced from 26 weeks to 4 weeks from April 2016.
- c) The family element of the personal allowance not applied for children born or new claims made from April 2016.
- d) The child element of the personal allowance not awarded for a third or subsequent child born after April 2017.

As over 7,600 claimants, around 68% of the working age caseload, were currently in receipt of an income related benefit such as Income Support or Job Seekers Allowance and received maximum CTS entitlement, the above changes would not impact on their CTS entitlement. Additionally those changes listed under b, c and d above would only impact on very small numbers compared to the overall caseload.

The estimated costs and savings associated with Tax Credit changes, if Housing Benefit changes were replicated in the CTS scheme, were outlined in Table 1 of the report.

Collection rates were strong at around 85% in year collected and this gave an encouraging sign that the majority of claimants were managing the increased liability placed on them. Comparisons with other Council Tax collection rates for north east authorities showed that the Council Tax Support scheme along with other discount changes implemented seem to have performed well.

There were several options available to Cabinet to consider on any or all of the following CTS schemes:

- Scheme 1 - Continue to operate the current Council Tax Support scheme with the maximum level of Council Tax available for support of 93% for working age claimants.
- Scheme 2 - Continue to provide the maximum level of Council Tax available for support of 93% for working age claimants, and replicate the outlined Housing Benefit changes within the scheme.
- Scheme 3 - Continue to provide the current Council Tax Support scheme for working age claimants but reduce the maximum level of Council Tax available for support from 93% to 90%.
- Scheme 4 - Reduce the maximum level of Council Tax Support available for working age claimants from 93% to 90%, and replicate the outlined Housing Benefit changes within the scheme.

The estimated costs of schemes 1 to 4 above were provided in Table 2 in the report.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals and refer the matter back to officers for further consideration of an alternative scheme.

Resolved that (1) Schemes 1 to 4 as set out in paragraphs 1.6.6 to 1.6.9 of the report, be consulted on as the potential proposed Council Tax Support (CTS) scheme for the financial year 2016-17; and
(2) the consultation on the proposed CTS scheme be undertaken between September and November 2015 and details of the consultation responses be brought back to Cabinet on 14 December 2015 so that Cabinet can consider what CTS Scheme to propose to Council on 21 January 2016.

(Reason for decision - It will provide feedback from residents and partner agencies on the options being proposed. This will allow Cabinet to determine the scheme it wishes to propose to full Council on 21 January 2016.)

CAB49/09/15 Exclusion Resolution

Resolved that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB50/09/15 Delivering Affordable Homes - Update (All Wards)

(N.B. Councillors R Glindon and CB Pickard left the meeting during discussion and voting on this item.)

Cabinet considered a report which provided an update on progress to deliver affordable homes and sought approval of the Business Plan produced by North Tyneside Trading Company (Development) Limited for delivery of affordable homes in the Borough. The report also gave an update on the Reed Avenue, Camperdown site.

Cabinet considered the following decision options: to approve the recommendations as detailed in paragraph 1.2 of the report, or alternatively, not approve them.

Resolved that (1) the Affordable Homes Delivery Vehicle Business Plan, attached as Appendix 1 of the report, be approved,
(2) the Chief Executive, in consultation with the Section 151 Officer, Elected Mayor, relevant Ward Councillors, Head of Environment, Housing and Leisure and Head of Law and Governance, be authorised to dispose of the Reed Avenue, Camperdown site to the Development Company;
(3) funding be made available to the Development Company for the purchase of the Reed Avenue, Camperdown site and construction costs of the homes;
(4) authority be delegated to the Section 151 Officer, in consultation with the Chief Executive, Head of Law and Governance and relevant Cabinet Members to agree the most appropriate method of funding to the Development Company;
(5) it be noted that the Authority will receive a capital receipt for the disposal of the Reed Avenue Site; and
(6) it be noted that the transactions detailed above are reflected in the 2015-2019 Investment Plan in the financial monitoring report considered earlier in the meeting (Minute CAB42/09/15 refers).

Cabinet

(Reason for decision - It will progress the delivery of affordable housing on behalf of the Authority and will provide new homes for rent in an area of identified demand.

The Authority has agreed the establishment of the Development Company to build new homes as part of its stated ambition to deliver more affordable homes within the Borough. The Business Case sets out the detail of the Development Company. Reed Avenue is identified as a suitable site for the Development Company to begin the development of new homes.)

CAB51/09//15 Date and Time of Next Meeting

6.00pm on Monday 12 October 2015.

Minutes published on Thursday 17 September 2015 2015.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on 24 September 2015.